

**THE PERFORMANCE OF UNIT TRUST INDUSTRY
IN MALAYSIA**

**AMINAH SHARI
ZAHARIAH SAHUDIN**

**LABUAN FACULTY OF INTERNATIONAL FINANCE
UNIVERSITI MALAYSIA SABAH
2015**



UMS
UNIVERSITI MALAYSIA SABAH

ABSTRACT

This study measured the efficiency of fixed income unit trust funds and equity unit trust funds for the period of January 2004 to December 2014. A total of 36 fixed income funds and 109 equity funds were evaluated using stochastic frontier analysis (SFA) technique with three inputs (expense ratio, portfolio turnover ratio, and fund management stated fee) and one output variable (return). The econometric technique was used to measure the portfolio efficiency score as well as to compare the efficiency of fixed income funds and equity funds. The results indicated that the average efficiency score for equity unit trust funds was higher than fixed income unit trust funds. Nevertheless, when the samples were categorized into panel data, the average efficiency score for fixed income funds increased throughout ten years. Meanwhile the average score for equity funds was consistent over the years. It shows that time is invariant for equity funds. However, this means that the performance efficiency for both types of funds was considered excellent and efficient. The results indicate that the mean efficiency achieved in unit trust industry is almost 100% of its potential output.

Keywords: Stochastic frontier, efficiency, fixed income fund, equity fund, and unit trust performance

ABSTRAK

Tesis ini mengkaji kecekapan unit amanah dana pendapatan tetap dan unit amanah ekuiti bagi tempoh Januari 2004 hingga Disember 2014. Sebanyak 36 dana pendapatan tetap dan 109 dana ekuiti telah dinilai menggunakan teknik analisis sempadan stokastik (SFA) dengan tiga input (nisbah perbelanjaan, nisbah pusing ganti portfolio, dan yuran pengurusan) dan satu output berubah-ubah (pulangan). Teknik ekonometrik telah digunakan untuk mengukur skor kecekapan portfolio dan juga untuk membandingkan kecekapan dana pendapatan tetap dengan dana ekuiti. Hasil kajian menunjukkan bahawa purata skor kecekapan bagi unit amanah ekuiti adalah lebih tinggi daripada unit amanah dana pendapatan tetap. Walau bagaimanapun, apabila sampel dikategorikan kepada data panel, purata skor kecekapan untuk dana pendapatan tetap meningkat sepanjang sepuluh tahun. Sementara skor purata bagi dana ekuiti adalah konsisten. Ini menunjukkan bahawa masa adalah tak berubah untuk dana ekuiti. Walau bagaimanapun, ini bermakna bahawa kecekapan prestasi untuk kedua-dua jenis dana dianggap cemerlang dan berkesan. Keputusan menunjukkan bahawa kecekapan minima yang dicapai dalam industri unit amanah ini adalah hampir 100% daripada keluaran potensinya.

Kata kunci: Sempadan Stokastik, Kecekapan, Dana Pendapatan Tetap, Dana Ekuiti, Dan Prestasi Unit Amanah